

# **Aberdeen City Council**

## Devolved School Management Scheme

Draft May 2020

DRAFT



## Document Control

<b>Approval Date</b>	
<b>Implementation Date</b>	
<b>Policy Number</b>	
<b>Policy Author(s) and Owner</b>	Caroline Johnstone
<b>Approval Authority</b>	Aberdeen City Council
<b>Scheduled Review</b>	March 2023
<b>Changes</b>	Review of existing DSM scheme dated 2012 to reflect new Scottish Government Guidance 2019

## Table of Contents

- 1. Introduction**
- 2. Budget Overview**
- 3. Areas of Expenditure to be Devolved**
- 4. The Scheme in Detail**
  - 4.1 Financial Regulations
  - 4.2 Best Value Principles
  - 4.3 Local Authority Commitment to Devolved School Management
  - 4.4 School Expenditure Within Wider Strategic Planning
  - 4.5 Scottish Negotiating Committee for Teachers and Local Negotiating Committees for Teachers Agreements
  - 4.6 Publication availability
  - 4.7 Available training
  - 4.8 Consultation and Engagement
  - 4.9 Transparency
  - 4.10 Local Priorities
  - 4.11 Staffing Structures
  - 4.12 Legislative and Contractual Requirements
  - 4.13 Staff Resource
  - 4.14 Professional Support teams, functions and transparency
  - 4.15 Budget underspend / overspend
  - 4.16 Virement
  - 4.17 Review, methodology and Stakeholders
- 5. Appendices**

## **1. INTRODUCTION**

Aberdeen is a thriving, cosmopolitan port in the North-east of Scotland offering a wide range of information and services to residents and businesses

[.https://www.aberdeencity.gov.uk/](https://www.aberdeencity.gov.uk/)

Our vision is of Aberdeen as '**a place where all people can prosper**'. The Local Outcome Improvement Plan (LOIP) sets out a ten-year plan for how Community Planning Aberdeen will realise this vision by 2026 in Partnership with local people, places and communities. <https://www.aberdeencity.gov.uk/sites/default/files/2019-04/Local%20Outcome%20Improvement%20Plan%202016-26.pdf>

Within Aberdeen City Council the Children and Family Service function is part of the Operations Directorate. The education service sits within this function and serves around 24,000 children and young people across the City through 58 schools and a range of support services. The Local Authority is the guarantor of quality in City schools and services.

We recognise the influence and impact that parents and carers have on their children's lives and learning and value working in partnership with parents at a local school level through well-established Parent Councils. The citywide Parent Forum has helped to shape this DSM guidance with representatives of the Forum joining local church representatives and Elected Members at the Educational Operations Committee. <https://www.aberdeencity.gov.uk/services/education-and-childcare/school-life/parent-councils>

### **Devolved School Management Overview**

Devolved School Management (DSM) was first introduced in 1993 to enhance and improve the management of resources at school level. These updated DSM guidelines have been developed in collaboration with head teacher and finance colleagues to reflect the national Education Reform Programme and local financial arrangements. Compliance with these guidelines is mandatory.

The Aberdeen City scheme is based fully on the national DSM framework.  
<https://www.gov.scot/policies/schools/devolved-school-management/>

Working within an agreed national framework will support benchmarking, introduce an element of common understanding for users and support shared training. In keeping with the national guidance Aberdeen City Council intends to engage across local authority boundaries to quality assure and improve the local DSM system on a three-yearly basis.

Any changes in financial governance made by Council will be reflected through a clearly communicated refresh of this guidance following the Council budget setting meeting in February each year. A more formal and thorough evaluation and review will be undertaken on a three-yearly basis. This review will be undertaken by a group representative of all stakeholders.

## **Principles of Devolved School Management**

The updated DSM principles, agreed by the Fair Funding Reference Group and building on and enhancing the foundations and principles of the 2012 guidance, are:

- Subsidiarity and Empowerment
- Collaboration
- Accountability and Responsibility
- Clarity and Equity

These principles reflect the National Improvement Framework aims of excellence through raising attainment and achieving equity. The principles also fully endorse those proposed in the Fair Funding consultation:

- **support excellence and equity** - ensuring every child and young person has the same opportunity to succeed
- **be fair** - placing the needs of all children and young people at the centre
- **be simple**, transparent and predictable – ensuing the costs of delivering education can be easily understood and explained and that schools are able to manage and plan ahead with certainty
- **deliver value for money** – ensuring that every penny spent is used effectively

Ongoing review of this scheme will be based on these principles.

## **2. BUDGET OVERVIEW**

The revised DSM Guidelines have been considered in relation to the financial pressures that the public sector is experiencing and will continue to experience over the years ahead. In Scottish Councils there are around 51,000 teachers employed with approximately £5.56bn spent on school education in 2018/19.

The breakdown of Aberdeen City Council's Education budget for 2020/21 is as follows:

<b>Subservice</b>	<b>Budget (£'000s)</b>	<b>Sum Devolved to Headteacher (£'000s)</b>	<b>%</b>
Pre-Primary	41,714	22,941	55.00
Primary	80,202	63,803	79.55
Secondary	68,406	55,275	80.80
Special	16,327	6,279	38.46
<b>Total</b>	<b>206,649</b>	<b>148,298</b>	<b>71.76</b>

Aberdeen City Council's Education budget for 2020/21 of £206.65m accounts for approximately 43% of the total expenditure budgets of all council services. £148.30m of the Education budget will be devolved to schools in 2020/21, representing around 72% of the total Education budget for 2020/21.

School budgets are primarily based on school roll with staffing budgets also influenced by the Scottish Index of Multiple Deprivation (SIMD). Agreed mechanisms are in place to enable flexible spending across allocated budgets where the headteacher and school community have agreed this is appropriate.

### **3. AREAS OF EXPENDITURE TO BE DEVOLVED**

Whilst headteachers are given maximum flexibility over their budgets, there are areas of expenditure that are generally not considered suitable for devolution as they do not support head teachers to improve the quality of provision. The reasons for this may include, but are not limited to:

- areas outside the influence of a headteacher;
- areas that are too bureaucratic;
- areas that have unacceptable levels of risk;
- areas which benefit from benefit from economies of scale; and
- areas which require professional expertise;
- areas which are complex by their nature

#### **Non devolved budgets**

1. Budgets linked to building maintenance and running costs such as rent payments and capital expenditure, property insurance and non-domestic rates as well as Local Authority contracted work on managing the school estate including grounds maintenance, window cleaning, hygiene supplies, waste collection, janitorial and cleaning staff, consequential costs from burglary or vandalism and utility costs
2. Corporate support function costs for example Finance, HR, and Legal functions
3. Education support services including Educational Psychology, Quality Improvement Teams and ASN Support Services and Music Instructors
4. Grants and allowances such as School clothing grants, Education Maintenance Allowances, Home to school pupil transport, School Meals and Parent Council expenditure and premature retirement costs
5. Local Authority Information Management Systems (currently SEEMIS)
6. Long-term supply cover for teaching staff sickness
7. Supply cover for teaching staff maternity leave
8. Supply cover other (Trade Union duties etc.)

#### **Devolved budgets**

- Staff costs – teaching and support
- Short term teaching supply cover, sickness absence and Family Leave costs
- Supplies and Services Costs including Alarm Units, telephone line rental and costs and medical costs
- School focused development (SFD)
- Per capita
- Travelling expenses
- Energy costs
- Examination fees

## **4. THE SCHEME IN DETAIL**

### **4.1 Financial Regulations**

Financial Regulations are an integral part of the stewardship of Council Funds. Adhering to the Financial Regulations ensures that all financial transactions of the Council are conducted in a manner which demonstrates openness, integrity and transparency. They form a significant part of the governance of the Council.

The ACC DSM Scheme will provide a transparent, fair and equitable allocation of resources to schools. Allocation formulae have been designed with relative stability in mind, providing a financial envelope in advance for Headteachers to effectively plan their spend for the forthcoming academic year. This will promote the efficient and effective operation of each school, and application of resources.

Local authorities must secure best value in accordance with section 1 of the Local Government Scotland Act 2003.

<http://www.legislation.gov.uk/asp/2003/1/contents>

The achievement of this will be outlined in Section 4.2.

[Financial Regulations - Approved 2nd March 2020](#)

[Procurement Regulations - Approved 2nd March 2020](#)

### **4.2 Best Value Principles**

Headteachers will be subject to financial regulation 5.12.1 (Value for Money):

- Each Director and Chief Officer must ensure that their Services achieve best value from any purchase before making any commitment.
- All purchasing and Orders for supplies, services and works must be undertaken in accordance with the Procurement Regulations.
- All purchases of computer and telecommunications equipment must be coordinated through the Chief Officer – Digital and Technology.

To order goods and services schools will have access to the council's purchase ordering system, PECOS. To manage their budgets, schools will have access to the council's financial system, e-financials.

In addition, schools are supported in the operation of their budgets by Resources through the Accounting team. Each school will be assigned a member of the Accounting team as a Finance Contact. Schools will be obliged to hold telephone meetings with their assigned Finance Contact on a regular basis throughout the financial year.

#### **4.3 Local Authority Commitment to Devolved School Management**

In an empowered system, headteachers, schools and Local Authorities are partners, each contributing and supporting each other and respecting the different role each plays. This guidance was developed by a collaborative working group of head teachers and central colleagues to ensure the guidance works for all stakeholders.

**Local Authorities** have a responsibility to lead the review the DSM scheme and to review associated systems to ensure that they enable key decisions to be made by those who are closest to the educational experience of children and young people in order to maximise outcomes for children and young people.

Budget holders will be responsible for ensuring that the regulations referred to in this scheme are followed fully and that resource is used to directly improve outcomes for children.

How Good Is Our School 4? provides a national expectation of how head teachers will utilise resource to support improvement. School performance in the management of resources to promote equity will be evaluated based on the quality indicator and school leadership teams should be familiar with the expectations within the quality indicator. The QI has two themes:

- Management of finance for learning
- Management of resources and environment for learning

#### **Level 5 illustration:**

*'We have effective systems for financial stewardship and management to ensure best value and sustainability. We make innovative use of the finances available to allocate resources to take forward our improvement priorities and planned developments. Our available budget is used very effectively to meet the needs of all learners. Staff, pupils, parents, partners and other stakeholders understand their responsibilities for effective financial management. We are pro-active in seeking funding from a range of sources to support specific aspects of our work. We work together to ensure transparency and equity in the use of our financial resources. We take account of local and national advice in our financial management, seeking support from those with financial expertise as appropriate. Financial expenditure is carefully planned to improve the quality of learning and teaching and increase attainment and achievement for all learners. We systematically monitor and can evidence the extent to which our use of financial resources leads to improved outcomes for learners.'*

*'We make the best use of available resources, including digital technologies, to create, sustain and enhance a motivating environment for effective learning. The learning environments across the school are seen as a resource to fully support learning, teaching and inclusion. We have a wide range of appropriate resources to support and challenge learners at all levels of their learning. We encourage our learners to make independent and responsible use of a range of resources. We ensure sustainable, transparent and equitable allocation and use of resources to support the learning needs of all. We manage allocated resources proactively and efficiently to meet planned learning and development priorities. In consultation with relevant stakeholders, resources are sourced, allocated and used efficiently and effectively to meet organisational, local and national priorities and the needs of the people we work with. We use data and evaluations of the impact of previous planning priorities and learning programmes to inform future resourcing decisions. We diligently implement relevant health and safety legislation and are vigilant in ensuring the security and safety of all users and visitors. As a result, our buildings are secure and any health and safety issues are identified and addressed promptly'*

Head teachers are expected to consider the challenge questions in HGIOS4 to self-evaluate their current processes to inform improvement. This Quality Indicator will be more rigorously considered during yearly training to ensure that those with budget responsibilities are aware of national and local expectations.

Aberdeen City Council devolves the management of these budgets to schools and services, but will retain overall responsibility to ensure that total spending is kept within the resources available and that these resources are efficiently, fairly and equitably distributed.

#### **4.4 School Expenditure Within Wider Strategic Planning**

Decisions are made closest to the learner wherever possible and are delegated to headteachers and schools in line with the Education Reform programme. Schools are empowered to make the decisions that affect outcomes, while being part of a collaborative learning community and the Local Authority. Decisions about education spending at Local Authority and school level are made in a collegiate and transparent way, paying due regard to wider responsibilities including GIRFEC.

**The Headteacher** is accountable and responsible for the use of financial resources within their delegated responsibility following consultation with pupils, parents, staff and the wider community and with due consideration of the Aberdeen Local Outcome Improvement Plan and Local Authority National Improvement Framework Plan.

Strong and distributive leadership is necessary to establish effective systems to support the partnership working with pupils, parents, staff and the wider community to determine how best to utilise resource to deliver on local and school level plans.

Headteachers are accountable to both Aberdeen City Council and to their learning community for the leadership and management of resources within their settings and must comply with the financial regulations to ensure that the Local Authority is not compromised and that all legislation is adhered to. Any issues regarding adherence to financial and procurement regulations will be identified by school accountants and escalated to the school Quality Improvement Manager.

The Headteachers' Charter advises that headteachers are required to:

- Manage a delegated budget in a fair, equitable and transparent way, supported by the Local Authority and a fair, transparent and equitable local Devolved School Management Scheme.
- Deploy the school's budget in accordance with best value principles and Local Authority procurement arrangements, with appropriate support and guidance from their Local Authority.
- Play an active role in designing and reviewing recruitment and staffing approaches, both for their own school(s) and for the wider Authority.
- Be empowered to design a staffing structure which best supports the school's curriculum and leadership requirements, working within their delegated staffing budget and supported by their Local Authority and Scottish Negotiating Committee for Teachers (SNCT) / Local Negotiating Committee for Teachers (LNCT) agreements and guidance.
- Be integral to the appointment of staff in accordance with the best interests of children and young people, and work in partnership with the Local Authority to ensure good practice in recruitment and appointments, in line with SNCT/LNCT agreements and guidance.

HTs LAs and LNCTs have a shared role in ensuring that the SNCT code of practice on HT responsibilities regarding staffing operates efficiently.

Further guidance is available in the SNCT code of practice Appendix 2.20

[http://www.snct.org.uk/wiki/index.php?title=Appendix\\_2.20](http://www.snct.org.uk/wiki/index.php?title=Appendix_2.20)

#### **4.5 Scottish Negotiating Committee for Teachers and Local Negotiating Committees for Teachers Agreements**

HTs are required to operate within the agreed SNCT terms and conditions for all staff who come under this scheme. The SNCT handbook is available:

<http://www.snct.org.uk/>

In addition, some terms and conditions are governed by LNCT (local) agreements and there is also a requirement to adhere to these. Details of local agreements can be found on the Teachers' hub on Aberdeen City Council People Anytime, under the name of the agreement.

<https://peopleanytime.aberdeencity.gov.uk/?s=teachers>

#### **4.6 Publication Availability**

The DSM scheme will be subject to 3-yearly review involving stakeholders and a peer Local Authority if appropriate and will be published following Committee Endorsement of the scheme. This endorsement will trigger the publication of the DSM scheme and summary document will be published on the Aberdeen City Website with a link provided on all school websites to ensure all stakeholders can easily access the scheme.

#### **4.7 Available Training**

Finance and education service colleagues will provide twice yearly training on the strategic management of budgets. This will include all of the features of DSM scheme, will explore expectations around QI Management of Resources to promote equity and exemplify how data should drive allocation of budgets. All new senior leaders and business managers will be expected to attend the first available session, it is expected that all staff managing budgets will have the knowledge and confidence to do so and be familiar with this document.

Aspiring leaders and LNCT Trade Union representatives will also be invited to attend the training. On-going support and guidance in implementing the DSM scheme will be available from school accountants.

Elected members will have access to a tailored training programme in advance of the updated scheme being presented to Committee.

#### **4.8 Consultation and Engagement**

The Chief Education Officer chairs a DSM Group of head teachers and colleagues from HR and finance who oversee the development of this guidance. Meaningful consultation will be central to decision making at Local Authority level with collaborative decision-making being led by the Chief Education Officer on areas such as budget allocations, staffing models and any redesign or savings options.

Separate staffing working groups review the impact of the separate staffing formula across sectors, these sector specific working groups make recommendations to the DSM Group.

Once in final draft, each parent and pupil council has the opportunity to hear of the draft scheme through their parent council. Head teachers are also expected to share details of how the scheme will be applied (and allocation of resource) with staff and members of the wider community. Central officers engage with the citywide Parents Forum, Elected Members and the LNCT.

#### **4.9 Transparency**

The DSM scheme will be written in plain English in order to maximise engagement and support transparency.

Headteachers are expected to ensure that any costs on families are minimised to ensure equality of access. However, where charges are deemed unavoidable, it is recommended that any anticipated pupil charges for curricular or extra-curricular activities (for example Home Economics, or school trips), or other costs (such as school uniform) requiring funding contributions from parents/carers are clearly detailed in school information published at the start of the academic session. Opportunities available to the pupil/families, or any discounts or exemptions available, for example in relation to pupils in receipt of free school meals, should be included within this information.

#### **4.10 Local Priorities**

Allocations of resource are informed by the Local Outcome Improvement Plan and Aberdeen City National Improvement Framework Plan. Schools are expected to consider the children's section of the LOIP and the NIF plan when deciding how to utilise resources.

<https://www.aberdeencity.gov.uk/sites/default/files/2019-04/Local%20Outcome%20Improvement%20Plan%202016-26.pdf>

Improving the wellbeing and attainment of children and young people is increasingly multi-agency in approach and it is important that decisions are taken with other key stakeholders wherever possible. This will include close collaboration with Locality Boards and with Partnership Forums to enable them to contribute towards shared agendas and allowing stronger partnership working between schools and with other agencies and stakeholders.

Local Authority decisions about education spending are expected to be made in a collegiate and transparent way, paying due regard to their wider responsibilities, including Getting it Right for Every Child (GIRFEC) and the role of Local Authorities as Corporate Parents. Budgets such as Partnership Forum budgets require a collaborative approach to decision making to ensure that all multi-agency resources and supports and that resource is fairly allocated across the locality.

Schools are encouraged to pool resources in order to access a shared service/resource across a locality and this innovation is encouraged to make best use of resource.

Partnership Forum guidance is available at:

<https://aberdeencitycouncil0365.sharepoint.com/sites/Network-EducationAberdeen/SitePages/Partnership-Forum-Guidance.aspx>

#### **4.11 Staffing Structures**

A formula is used to allocate devolved resource to schools with SIMD and the size of the school being significant factors. Head teachers are expected to empower school communities to consider how best to utilise the resource available to them and to consider the need to amend their staffing structure to better serve local need, subject to the local agreement on staffing structures.

If the community deem that changes are required a business case should be developed for consultation and shared with the school QIM, HR and Finance to ensure that all parties are assured that the proposal will enable the school to deliver on all statutory duties and that risks have been identified and mitigated. A statutory two-week consultation is then held where members of the school community including staff, trade unions, parents and children and young people have the opportunity to ask questions and comment. Finalised business cases are then sent to both the school QIM and to HR for approval. Guidance can be found at:

<https://peopleanytime.aberdeencity.gov.uk/teachers/revision-of-school-management-protocol-teachers/>

Any further allocations of staffing (outwith devolved budgets) will be shared in a clear and transparent fashion.

A helpful ready reckoner will be provided in advance of each new financial year to support decision making.

#### **4.12 Legislative and Contractual Requirements**

Although staffing budgets are devolved to schools, Aberdeen City Council remains the employer and all major conditions of service continue to be negotiated at national level.

Within the devolved scheme, schools must adhere to SNCT/LNCT national and local agreements in areas such as class sizes, staff structures, length of the school day etc.

Pupil numbers will be the major factor in determining budget allocations, however account will also be taken of individual circumstances which may not be capable of adequate determination by a simple roll-based formula.

#### **4.13 Staff Resource**

Devolved budgets are issued to establishments at the beginning of the financial year (April) and specific budgets which are affected by pupil and teacher numbers will be subsequently adjusted in September / October if any significant changes have taken place.

Additional budget provision may be issued to establishments in the course of the year as a result of:

- Receipt of additional budget by the authority in the form of a central government grant for dedicated additional school expenditure.
- The transfer of elements of central budgets prior to the end of the financial year.

Teaching and support staff, including admin and technical staff, are allocated to schools on a formula basis. Pupil support assistants are allocated on a formula basis, comprising a core allocation and roll-based element. Additional pupil support assistants are allocated annually to schools on the basis of pupils needs as recorded in Seemis.

Staffing of Early Learning and Childcare settings is allocated annually by the Early Years team based on the model of delivery and pupil capacity of the setting.

Headteachers are involved in the design of recruitment processes, both for their own schools and for the Local Authority. Working collegiately with all stakeholders, head teachers can design a staffing structure that best supports learning and teaching in the school, within the budget delegated to the school by the Local Authority. Headteachers must comply with employment law and other relevant legislation, and the contractual obligations and policies of their Local Authority. Local Authorities and headteachers must have regard to supporting guidance and agreements developed by SNCT and LNCT (where appropriate).

The local authority is proactive in addressing teacher shortages which have been a feature of the staffing landscape for several years. Head teachers are involved in the recruitment of the current year's probationer teachers which takes place in February. Successful candidates are offered a permanent post with Aberdeen City Council, subject to the relevant checks and achieving full registration with GTCS. Head teachers are also involved in recruiting to the supply registers for teaching and support staff, with the recruitment process for these posts ongoing throughout the year. Officers are currently in discussion with HR and IT colleagues around how technology may be used to smarten the processes around this.

#### **4.14 Professional Support teams, functions and transparency**

Schools are provided with professional teams to support head teachers. This may be in the form of business managers in secondary schools, as well as central finance, human resources and facilities teams. Head teachers should contact the appropriate team for advice and guidance.

Additional information on staffing and financial processes for schools and services is available from -

- Aberdeen City Council, The Zone, Core HR
- Aberdeen City Council, The Zone, Financial Regulations

#### **4.15 Budget underspend / overspend**

Carry forward is the facility to transfer surpluses and / or deficits into the next financial year. All devolved budgets have this carry forward facility. Schools are limited to carry forward an underspend of 2.5% of the total of the devolved budgets into the following financial year. Intended use of carry forward should be identified in School Improvement Plans.

There is no limit to the carry forward of overspends. Finance contacts have regular meetings with schools and will identify potential overspends to the school's QIM at the earliest opportunity so the QIM can work with the head teacher to mitigate these.

#### **4.16 Budget Flexibility and Alternative Spending**

Headteachers have the flexibility to manage and determine the best use of the resources devolved to schools. Headteachers can overspend across devolved budget lines if they underspend on an equivalent basis across other devolved budget lines.

Where a headteacher wishes to use underspend arising from staffing vacancies flexibly, they are required to complete a Staff Vacancy Alternative Spend form and submit this to their Quality Improvement Manager for approval. When approved this spend should be coded to the 54399 account code and E1020 activity code, except for the case of Health and Safety spend which should be coded to E1023 activity code.

Approved spending on this basis needs to be completed within the period it is approved:

- Spending for Quarters 1 and 2 (April 1st to September 30th) requires approval by September 23rd.
- Spending for Quarters 3 and 4 (October 1st to March 31st) requires approval by December 14th.

Where the deadline for submission falls on a weekend, the deadline for submission will be the following Monday. No requests will be accepted following the December 14th deadline. Requests require to be approved and spent (or notified for accrual to the finance contact for the school) by the end of the period to which they apply. Retrospective requests will not be considered.

Finance contacts will monitor spending in the 54399 account code to ensure it matches the value of approved alternative spending. Unapproved spend found to be against this code will be re-allocated against the appropriate devolved account code. Finance contacts will process accruals for alternative spending where suitable evidence is produced that the spend should be set against the relevant period.

#### **4.17 Review, methodology and Stakeholders**

Any changes in financial governance made by Council will be reflected through a clearly communicated refresh of this guidance following the Council budget setting meeting in February each year. A more formal and thorough evaluation and review will be undertaken on a three-yearly basis with a key element of this formal review being a peer review with a neighbouring Local Authority

## **APPENDICES**

### **APPENDIX A**

Appendix A Staff Vacancy Alternative Spend Form

[View form online](#)

### **APPENDIX B**

Staffing formula and allocation spreadsheet Primary Teaching

[View draft Primary Teaching spreadsheet online](#)

### **APPENDIX C**

Staffing formula and allocation spreadsheet Primary PSA

[View draft Primary PSA spreadsheet online](#)

### **APPENDIX D**

Staffing formula and allocation spreadsheet Secondary Teaching

[View this document online](#)

### **APPENDIX E**

Staffing formula and allocation spreadsheet Secondary PSA

[View Secondary PSA spreadsheet online](#)